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REMARKS**Status**

As stated above, the status of the claims is: claims 1-29 are pending; claims 1, 7, 16 and 26 are currently amended, claims 2-6, 9-11, 17-19 and 27-29 were previously amended; and claims 8, 12-15 and 20-25 are as originally filed.

Telephone Interview

On behalf of the Applicants, Applicants' representative thanks Examiner Hewitt for granting and participating in the telephone interview of May 6, 2004. The substance of the interview is discussed below.

Amendments to Claims

Claims 1, 7, 16 and 26 were amended, and are discussed below.

Claims 1-15 (Paragraph 4 of the February 24, 2004 Office Action)

Claims 1-15 were rejected under 35 U.S.C. §103 as being unpatentable over Silverman et al. and Tilfors et al.

Claim 1

On page 2 of the Office Action, the Examiner cited the following recitation in claim 1,

if there is no better trade in at least one stock order
originating from outside the system for the particular stock
for either the first party or the counterparty,

and stated that "prior art that shows the above feature with respect to a first party only is sufficient" to meet the limitations of the claim. During the telephone interview, Applicants' representative proposed amending the section of claim 1 quoted above as follows:

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if there is no better trade in at least one stock order originating from outside the system for the particular stock for either both the first party ~~or~~ and the counterparty.

Applicants' representative argued in the telephone interview that, with such amendment, claim 1 expressly provided for the possibility of a trade between a first party and an order originating from outside the system and the possibility of a trade between a counterparty and an order originating from outside the system, as previously argued.

Applicants' representative understood the Examiner to indicate that such amendment to claim 1 would avoid the combination of Silverman et al. and Tilfors et al. Therefore, reconsideration and allowance of claim 1 are respectfully requested.

In the last line of claim 1, "better trade" refers back to "no better trade in at least one stock order originating from outside the system." To make this express, the last line of claim 1 was amended to recite: "the system executing a better trade with the at least one stock order originating from outside the system." (Emphasis supplied.)

Claims 7 and 9

As discussed at the interview, claims 7 and 9 include language paralleling that in claim 1 discussed above.

Claim 7, like claim 1, provides for a trade to be executed between:

a trade of an order of a first user of the system to a negotiated trade agreed to by the first user and a second user of the system and an order originating from outside the system, and

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a trade of an order of the second user of the system to the negotiated trade and an order originating from outside the system. (Emphasis supplied.)

According to claim 7, when the same trade is available for orders originating from inside and outside the system, a particular trade can be executed with a priority, as follows:

the at least one computer being programmed to execute a trade in accordance with a priority when the same trade becomes available:

between two orders originating within the system, and

between an order originating from within the system and an order originating from outside the system.

For example, in one embodiment a trade between an order in the system and an order originating outside the system would be executed if such a trade were a better trade than a trade between two orders in the system (i.e., not the "same trade," as recited in claim 7). (Such an embodiment was discussed at the top of page 27 in the Response filed December 9, 2003, but the discussion there should have mentioned that the trade was executed "in accordance with a priority," as recited in claim 7).

Also, line 2 of claim 7 was amended to delete "between users of the system" in view of the fact that the system can execute trades originating from outside the system. Further, some subject matter has been moved within claim 7.

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Claim 9 provides that the claimed system support anonymous negotiations between first and second users with orders, and that the system execute a pair of orders selected from the orders from both the first and second users and the orders originating from outside the system, as follows:

support anonymous negotiations between first and second users with orders;

to repeatedly determine whether there is a match of any one of the orders from the first and second users with any one of the orders originating from outside the system; and

to execute a pair of orders selected from the orders from the first and second users and the orders originating from outside the system. (Emphasis supplied.)

It is submitted that independent claims 1, 7 and 9, and with them dependent claims 2-6, 8 and 10-15, are allowable over Silverman et al. and Tilfors et al.

Claims 16-29 (Paragraph 5 of the February 24, 2004 Office Action)

Claims 16-29 were rejected as a group under 35 U.S.C. §103 as being unpatentable over Silverman et al., Ferstenberg et al. and McCausland et al. As discussed below and in the telephone interview, independent claims 16 and 26 are believed to have been rejected only on the basis of Silverman et al.¹

In the telephone interview, the Applicants' argued that in claim 16 the IOI

¹ It is believed that claims 16 and 26 were rejected only on the basis of Silverman et al. because the language in the claims to which the Examiner referred when discussing Ferstenberg et al. and McCausland et al. appears in claims 24 and 20-23, respectively, and not in claims 16 and 26. Therefore, we have treated the rejection based on Ferstenberg et al. and McCausland et al. as not applying to claim 16.

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that was transmitted by the system was an IOI in a stock with respect to which the user has entered an order. The Examiner contented that this was not expressly recited in claim 16. Although Applicants believe that claim 16 already provided this, expressly or inherently, claim 16 was amended to recite "the at least one computer being programmed to transmit the IOI with respect to which an order has been entered to the users in the subset of users selected by the user that entered the order." (Underscoring indicates added text.)

As discussed in the telephone interview, the system described in Silverman et al. does not execute a trade without the parties first negotiating. In the Silverman et al. system, a bid, offer, order, or an expression of interest is only an invitation to negotiate and cannot be executed by the matching computer without the parties first negotiating. In contrast, claim 16 states in the preamble thereof that "the at least one computer is programmed to match orders entered into the user stations by users and to execute trades of matched orders," while also stating at the end of the body of the claim that "the at least one computer is programmed to transmit the IOI with respect to which an order has been entered."

With respect to claim 26, claim 26 as amended includes language that parallels that added to claim 16, although it is believed that claim 26, like claim 16, already provided, expressly or inherently, for the stated relationship between the IOI and an order.

It is submitted that claims 16 and 26 are allowable over Silverman et al. for the reasons discussed above and in the telephone interview.

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Claims 17-25 are dependent upon claim 16 and claims 27-29 are dependent upon claim 26. It is submitted that these dependent claims are allowable at least for the reason that they depend from an independent claim shown above to be allowable.

Conclusion

Applicants respectfully submit that this Response addresses and overcomes all pending the rejections, and request that the Examiner reconsider and withdraw all rejections in view of the discussion above and in the telephone interview, and pass the application to issue.

Applicants reserve the right to file a continuation application with claims to subject matter not prosecuted or allowed in this application.

If any fee is required to enter this paper or to continue prosecution of this application, please charge such fee to Deposit Account 02-4270.

Respectfully submitted,



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Frank J. DeRosa
Reg. No. 26,543
BROWN RAYSMAN MILLSTEIN
FELDER & STEINER LLP
900 Third Avenue
New York, New York 10022
(212) 895-2010
(212) 895-2900 FAX